

Introduction

Prime Minister Narendra Modi celebrated his 72nd birthday. He introduced India's National Logistics Policy 2022 and welcomed eight cheetahs that had been shipped there from Namibia to commemorate the event. The main objectives of the National Logistics Policy 2022, according to Minister of Commerce and Industry Piyush Goyal, are to promote the free movement of goods and improve industry competitiveness nationwide. Some of the main areas of focus will include process re-engineering, digitisation, and multi-modal transportation.

National logistics policy: History of Policy

- Finance Minister Nirmala Sitharaman first addressed the national logistics policy in her statement discussing the budget in 2020.
- According to the government, efforts are being made to put into place an integrated and technologically advanced approach to logistics operations that will be efficient throughout the entire process and be helpful in reducing logistics costs in the country from the current levels of 13–14% of GDP.
- Export-import logistics, sectoral plans for efficient logistics, integrated digital logistics systems, a unified logistics interface platform, facilitation of the development of logistics parks, standardization of physical assets and benchmarking service quality standards, state engagement, human resource development and capacity building, and export-import logistics were all important components of the newly introduced national logistics policy.

National logistics policy 2022: Key Points

- One of the seven departments whose 30 different systems will be digitally connected as part of the IDS is the ministry of commerce. The others are the ministries of roads, rails, customs, aviation, and international trade.
- It will be better to convey the stuff more quickly.

- The Unified Logistics Interface Platform, sometimes known as ULIP, will make cargo transfer simple.
- Ease of Logistics (ELOG) will be present. The policy will be implemented in order to simplify the rules and facilitate the logistics sector.
- All logistics-related initiatives must be frequently assessed to identify any obstacles, and those obstacles must be removed by the System Improvement Group (SIG).
- Giving young people the chance to work and develop their talents is the policy's main objective.

What is the Significance of the Policy?

- The National Logistics Policy's introduction will give PM Gati Shakti a further push and complementarity.
- As it encompasses all aspects of the sector, streamlines regulations, and addresses supply-side restrictions, the Policy will assist in transforming the industry into a cohesive, economical, resilient, and sustainable logistics ecosystem in the nation.
- The goal of the policy is to expand employment possibilities, boost economic growth, and promote the competitiveness of Indian commodities.

National logistics policy 2022: Aim of the Policy

- The key areas of focus for this National logistics policy 2022 will be process re-engineering, digitisation, and multi-modal transportation.
- It is a crucial choice since high logistical expenses reduce the competitiveness of domestic products on the international market.
- Given that India's logistics expenses are higher than those of other industrialized countries, the National Logistics Policy 2022 was deemed required.

- If India wants to make its exports and homegrown goods more competitive, it must dramatically reduce its logistical costs.
- Lower logistics costs are intended to boost economic efficiency, enabling value creation and company.
- In an effort to address complaints about high costs and inefficiencies, the policy lays out a comprehensive interdisciplinary, cross-sectoral, and multijurisdictional framework for the expansion of the entire logistics ecosystem.

Indian efforts to advance logistics include the following:

- Physical infrastructure improvement through programs like the Pradhan Mantri Gati Shakti Yojana, Bharatmala and Sagarmala yojanas, a dedicated freight corridor, the development of waterways, and multi-modal transport hubs, among others.
- Enhanced interstate transit of goods through improved state collaboration.
- Facilities for warehousing and storage should be improved.
- States developing their own logistics regulations.
- The application of digital technology in the logistics sector.
 - With regard to the logistics industry, ULIP - United Logistics Interface Platform will serve as a centralized platform for the resolution of all questions and regulations.
- Reforms to improve the ease of doing business in the import and export sector.
 - E-LOGS stands for easy logistics services. Industry sector associations can work together to effectively interact with the government.
 - Paperless import and export procedure: E-Sanchit. In the customs segment, an anonymous evaluation mechanism.

National Logistics Policy: Objectives

- To cut logistics costs.

- To make sure that items are transported smoothly in order to reduce the time spent doing so. The fundamental goal is to have time-bound commodities transportation.
- Introduces a digital system that is integrated to combine digital information from linked departments. This will make it easier for the government and the country as a whole to have a single regulatory environment and policy.

Why does India Need a Logistics Policy?

- Organization and formalization of the sector are required because the Indian logistics market is incredibly disorganized and fragmented.
- lowering the expense of logistics in contrast to industrialized nations like Singapore and the US, which leverage logistics to boost exports, costs in the country might reach 14–15% of GDP. The NLP hopes to bring India's logistics expenses down to 8% during the next five years.
- Increasing perishable loss prevention and cold chain effectiveness: preventing the loss of perishables Some estimates state that 16% of the agricultural products from India are wasted throughout the supply chain.
- Development of warehousing and storage capacity: Additional factors like capacity constraints and a dearth of suitable facilities drive up the cost of a transaction.
- Integration of Multimodal Transportation: The new policy will emphasize technology, simplification, and a multimodal strategy that combines all modes of transportation, including train, sea, and air.
- Generation of Employment According to the Economic Survey 2017–18, the logistics sector in India provides a living for more than 22 million people and has the potential to create more jobs.
- Promotion of exports: Improving this sector will allow indirect logistics costs to be reduced by 10%, which will lead to a 5–8% increase in exports.
- Commitment to combat climate change

How will Technology be Used to Improve the Logistics Sector?

Advanced analytics: Attempts will be made to use blockchain with AI technology by NLP. It aspires to construct a data analytics center in order to encourage more transparency and continual monitoring of crucial logistics factors.

Single window portal: A portal will be created as part of NLP to connect service providers such storage facilities, shipping experts, transportation businesses, customs brokers, and various governmental organizations.

What are the Government Initiatives taken for the Logistics Sector?

- **GST implementation:** It is anticipated that the GST system will speed the formalization of informal logistical arrangements and the flow of freight over state lines because checks will no longer be necessary.
- A national committee working under the Cabinet Secretary is creating a nationwide trade facilitation strategy for India.
- The Department of Commerce has created a new division called Logistics to oversee integrated sector development through changes to policies, improved practices, the identification of bottlenecks and gaps, and the use of technology-based solutions.
- **Integrated Logistic Portal:** The Ministry of Commerce and Industry (MoCI) has developed an integrated logistics portal in order to establish a transactional e-marketplace. This portal will connect customers, logistics service providers, and relevant governmental organizations like customs, port community systems, port terminals, shipping lines, and railways.
- The Department of Commerce has created a new division called Logistics to oversee integrated sector development through changes to policies, improved practices, the identification of bottlenecks and gaps, and the use of technology-based solutions.

- **Integrated Logistic Portal:** The Ministry of Commerce and Industry (MoCI) has developed an integrated logistics portal in order to establish a transactional e-marketplace. This portal will connect customers, logistics service providers, and relevant governmental organizations like customs, port community systems, port terminals, shipping lines, and railways.
- **LEADS Index:** The Ministry recently unveiled a new Logistics Ease Across States Index that rates states based on how supportive they are of improving the logistics infrastructure inside their boundaries.
- **Infrastructure Status:** The logistics sector is now included in the Infrastructure Sub Sector Harmonized Master List. The logistics industry has profited from this inclusion as it will now have access to more cheap, longer-term financing.
- The establishment of cutting-edge, large-scale warehousing facilities for various commodities that are carried by rail, road, and inland waterways is the goal of the Multi Modal Logistic Park project. It also aims to become a one-stop shop for services including truck repair, customs clearance, parking, and warehousing that are associated with freight movement.

Conclusion

The new National Logistics Policy will undoubtedly be a positive step. However, ongoing work is required to boost logistic cost performance. The government's dedication to sector development that incorporates policy upgrades, infrastructure expansion, tax reforms, and technology adoption will undoubtedly have a positive impact. It will improve India's capacity for global competition, create jobs, improve its standing in the international community, and pave the road for it to grow into a logistics superpower. Such initiatives would help India become a New India by 2025.